Doane Raymond

CITY OF MONCTON

GENERAL SECTION

FINANCIAL STATEMENTS

DECEMBER 31, 1985

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AUDITORS' REPORT

His Worship the Mayor
and Members of the City Council

We have examined the revenue fund, capital fund and related reserve fund balance sheets of the City of Moncton as at December 31, 1985, the revenue fund statement of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of source and application of capital funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City as at December 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
April 9, 1986

Chartered Accountants

CITY OF MONCTON

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Revenue			
Taxes	$19,208,334	$19,208,334	$17,932,429
Unconditional transfers from Provincial Government	14,715,577	14,715,577	14,071,256
Other revenue from own sources	2,312,534	2,620,974	2,037,654
Transfer of surplus	33,122	33,122	67,402
Transfer from snow reserve funds			200,000
	$36,269,567	36,578,007	34,308,741
Expenditures			
General government	$ 3,190,966	3,370,699	2,714,005
Protection	12,848,650	12,555,351	11,657,347
Transportation	6,935,901	7,240,150	7,146,463
Environmental health and development	1,393,433	1,376,146	1,322,743
Recreation and culture	4,842,403	4,945,321	4,452,515
Fiscal	7,058,214	6,797,398	6,756,329
	$36,269,567	36,285,065	34,049,402
Excess of revenue over expenditure		292,942	259,339
Appropriations to reserve and trust funds (Note 2)		263,872	212,856
Surplus for the year		29,070	46,483
Surplus, beginning of year		79,605	100,524
		108,675	147,007
Transfer to current budget		(33,122)	(67,402)
Surplus, end of year		$ 75,553	$ 79,605

CITY OF MONCTON

REVENUE FUND BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Cash and term deposits	$ 2,966,227	$ 1,450
Receivables (Note 3)	3,236,563	2,016,390
Receivable from		
Capital fund	4,329,191	4,042,472
Codiac Transit Commission	191,198	199,098
Maritime Coliseum - Agrena Commission	543,642	446,145
Sinking funds	1,193	32,008
Inventory, at cost	695,739	586,741
Deferred charges (Note 4)	368,163	405,541
	$12,331,916	$7,729,845

LIABILITIES AND SURPLUS		
Bank indebtedness	$ 4,658,115	$1,108,206
Payables and accruals (Note 5)	5,810,246	4,132,252
Payable to		
City Hall development fund		573,393
Snow removal reserve trust fund	616,124	511,713
Reserve for land development	159,786	89,506
Machinery and equipment depreciation trust fund	912,908	601,069
Cash in lieu of parking spaces reserve	39,434	35,651
Water and Light revenue fund	59,750	598,450
Surplus (Page 2)	75,553	79,605
	$12,331,916	$7,729,845

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Receivables (Note 3)	$ 351,521	$ 349,046
Property and equipment (Note 6)	96,230,350	89,689,908
Assets being retired by revenue fund appropriations	717,997	1,432,776
	$97,299,868	$91,471,730

LIABILITIES AND EQUITY

Payable to the revenue fund	$ 4,329,191	$ 4,042,472
Long term debt (Note 7)	33,592,995	33,149,949
	37,922,186	37,192,421
Investment in capital assets (Page 5)	59,377,682	54,279,309
	$97,299,868	$91,471,730

Commitments (Note 8)

Contingencies (Note 9)

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Balance, beginning of year	$54,279,309	$50,058,083
Add:		
Debt retired	2,752,803	2,629,616
Contributions - Federal/Provincial Governments		
Designated highways recovery	643,080	296,022
Stimulation grant	200,000	200,000
Magnetic Hill project	507,577	
Local improvement projects	62,395	
Museum project	43,049	
Traffic signals and crossings	34,602	
Dutch Elm project	210,076	
Centennial Beach project		287,324
City's contributions		
City Hall development fund	46,047	47,194
Reserve for land improvement		100,000
Capital out of current funds	331,467	
Other		
Local improvement and branch sewer recoveries	264,803	241,308
Transfer of Oak Street improvements		45,216
Sale of land		15,500
Moncton Tennis Club		10,000
Kiwanis Club beach project	2,474	349,046
Balance, end of year	$59,377,682	$54,279,309

CITY OF MONCTON

CAPITAL FUND

STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FUNDS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Funds provided by		
Capital contributions from other governments	$1,700,779	$ 783,346
Local improvement and branch sewer recoveries	264,803	241,308
City Hall development fund	46,047	47,194
City current fund	331,467	
Reserve for land development		100,000
Oak Street improvements - MCBDC		45,216
Moncton Tennis Club		10,000
Sale of land		15,500
Debentures issued	3,270,000	2,270,000
Mortgages re Magnetic Hill land purchases	300,000	616,805
Increase in borrowing from current fund	286,719	714,432
Appropriations from revenue fund		
Write off of assets	971,880	806,992
Debt retirement	2,752,803	2,629,616
Repayment of advances by Resurgo		759,206
	$9,924,498	$9,039,615
Funds applied to		
Purchase and construction of capital assets		
Permanent streets	$4,096,177	$2,525,938
Moveable equipment	1,502	5,878
Real estate	1,900,238	2,732,705
Storm and branch sewers	542,525	283,630
	6,540,442	5,548,151
Repayment of mortgages	270,883	
Repayment of City Hall development fund debt	103,270	87,520
Redemption of long term debt	2,752,803	2,629,616
Purchase of assets to be written off to current fund	257,100	774,328
	$9,924,498	$9,039,615

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal repayments of long term debt are recorded as expenditures when repaid. Interest on long term debt is recorded on an accrual basis. Debenture discounts are written-off on a straight line basis over the terms of the various issues.

(c) Fixed assets

Capital assets and projects in progress are recorded at cost. The City funds certain capital expenditures by means of appropriations from the revenue fund over periods ranging from three to five years. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayments of long term debt.

(d) Prior year's operating results

Section 89 of the Municipalities Act of New Brunswick requires that the excess of revenue over expenditure for a fiscal year be included in revenue of the second ensuing year.

(e) Financing

It is the policy of the City to charge interim financing costs for annual capital construction projects to current fund fiscal expenditures.

2. Appropriations to reserve and trust funds

	1985
Machinery and equipment depreciation trust fund:	
(a) Amended bylaw 312-3/85 - April 24, 1985	$ 4,662
(b) Amended bylaw 312-4/85 - October 16, 1985	9,210
(c) Amended bylaw 312-5/85 - December 23, 1985	200,000
	213,872
Snow removal reserve trust fund	
Amended bylaw 303-3/85 - December 23, 1985	50,000
	$263,872

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

3. Receivables - Revenue Fund

	1985	1984
Sewer construction	$ 104,816	$ 189,432
Local improvements	161,828	202,229
Provincial government	970,009	490,083
Moncton Industrial Development	701,199	733,176
Resurgo	938,335	67,993
Other - various	360,376	333,477
	$3,236,563	$2,016,390

Receivables - Capital Fund

The City of Moncton entered into an agreement with the Kiwanis Club of Moncton Inc. to pay the net cost to construct the Centennial Beach project. The Kiwanis Club has agreed to reimburse the City for this net cost up to a maximum of $400,000 which is to be repaid over a period of 5 years. Should any balance remain unpaid then the City has agreed to extend the period of repayment a further 5 years.

4. Deferred charges - Revenue fund

	1985	1984
Unamortized debenture discounts	$368,163	$364,663
Parking lots and meters		40,878
	$368,163	$405,541

5. Payables and accruals - Revenue fund

	1985	1984
Accounts payable and commitments	$4,196,580	$2,612,917
Contractors' holdbacks	768,935	655,194
Interest on long term debt	805,438	838,880
Local improvement deposits	39,293	25,261
	$5,810,246	$4,132,252

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

6. Property and equipment, at cost

	1985			1984
	Fully Funded	To Be Funded By Debentures	Total	Total
Permanent streets	$56,609,524	$(320,737)	$56,288,787	$52,472,377
Moveable equipment	1,700,051		1,700,051	1,587,883
Real estate	16,916,461	3,942,498	20,858,959	18,484,453
Storm sewers and branch sewers	17,098,719	283,834	17,382,553	17,145,195
	$92,324,755	$3,905,595	$96,230,350	$89,689,908

7. Long term debt

	1985	1984
Debenture debt		
Serials and certificates	$26,358,299	$25,736,435
Sinking funds	5,653,800	5,653,800
	32,012,099	31,390,235
Other		
Municipal Development and Loan Board	6,062	41,244
Winter Capital Project Fund	500,969	541,246
Department of Regional Industrial Expansion	427,943	457,150
City Hall Development Fund		103,269
Mortgages payable re Magnetic Hill	645,922	616,805
	$33,592,995	$33,149,949

Effective January 1, 1982 the debt, which related to the capital assets transferred to the Codiac Transit Commission, was also transferred.

Effective January 1, 1983 the debenture debt, which related to the capital assets transferred to the Maritime Coliseum - Agrena Commission, was also transferred.

The various long term debt obligations of the Commissions remain the ultimate responsibility of the City of Moncton.

Principal payments required during the next five years are as follows:

1986 - $3,011,654 1987 - $2,941,184 1988 - $2,862,198
1989 - $2,918,763 1990 - $2,776,504

In addition, the sinking fund issues of November 1, 1974 and March 1, 1982 are being provided for annually in the amount of $70,519 and $98,010 respectively.

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

8. Commitments

(a) The City is obligated under a long term lease agreement to pay minimum annual rentals of $269,000 until September 30, 2011 plus escalation costs and taxes. In 1985 this additional amount approximated $140,000.

(b) In 1983 the City initiated a downtown redevelopment project estimated to cost $11,550,000. The cost of the project is being financed by grants from the two senior levels of government totalling $10,000,000. The City's commitment is to provide $1,550,000 in capital funds over the four year period ending in 1987. At December 31, 1985 the City has provided $1,150,000 and is committed to provide an additional $400,000 in 1986.

(c) In 1984 and 1985 the City entered into various agreements to purchase land for development of Magnetic Hill. The City is committed to provide for these purchases in capital budgets over the next three years to cover the cost of land purchased. At December 31, 1985 the land purchases to be provided for in capital budgets in 1986, 1987 and 1988 totals $637,576.

9. Contingencies

(a) The City is responsible for any costs that relate to the downtown redevelopment project which are incurred and not funded by Resurgo Inc. At December 31, 1985 this figure is estimated to be approximately $75,000.

(b) The City is contingently liable for debentures and other capital debt reflected on the capital funds of the Water and Light Department, the Maritime Coliseum - Agrena Commission and the Codiac Transit Commission.

10. The 1985 budget figures presented on pages 2, 19, 20 and 21 reflect those reallocations approved by the City Manager and reported to Council throughout the year. Gross revenues and expenditures are reflected in the statement of revenue, expenditure and surplus. The 1984 comparative figures for certain current fund expenditures have been restated to conform with the current year's presentation.

11. Subsequent event

Subsequent to December 31, 1985 the long term debt and interest and property tax arrears of Moncton Industrial Development Limited was forgiven by the Province of New Brunswick in an amount of approximately $6,500,000. This debt was guaranteed by the City of Moncton prior to this development. The inventory of land represented by acreage in the two industrial parks is being deeded to the Province of New Brunswick subsequent to the year end.

CITY OF MONCTON

SINKING FUND - '89

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Cash and term deposits	$ 698,321	$ 455,084
Accrued interest receivable	72,053	76,790
Receivable from City of Moncton revenue fund		8,852
Investments, at par (Page 13)	2,069,000	1,888,500
	$2,839,374	$2,429,226

EQUITY

Equity, beginning of year	$2,429,226	$2,041,947
Add:		
Annual appropriation	123,409	123,409
Interest earned	286,739	263,870
Equity, end of year	$2,839,374	$2,429,226

This sinking fund was originally established to finance repayment of a $3,500,000 sinking fund issue maturing, November 1, 1989.

The reserve equity includes a surplus of $672,270 in excess of the actuarial requirement of $2,167,104 as at December 31, 1985.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUND - '97

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Cash and term deposits	$ 558	$
Accrued interest receivable	17,371	15,527
Investments, at par (Page 13)	425,000	319,000
	$442,929	$334,527
LIABILITIES		
Bank indebtedness	$	$ 21,657
Payable to the City of Moncton revenue fund	1,193	40,860
	1,193	62,517
EQUITY		
Equity, beginning of year	272,010	135,251
Add:		
Annual appropriation	107,300	107,300
Interest earned	62,426	29,459
Equity, end of year	441,736	272,010
	$442,929	$334,527

This sinking fund was established to finance repayment of a $4,000,000 sinking fund issue maturing, March 1, 1997.

The reserve equity includes a surplus of $47,076 in excess of the actuarial requirement of $394,660 as at December 31, 1985.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUNDS

SCHEDULES OF INVESTMENTS

DECEMBER 31, 1985

Sinking Fund '89

Debentures	Interest Rate		Maturity Date	Par Value
City of Campbellton	13¼		December 28, 1992	$ 30,000
City of Campbellton	13¼		December 28, 1991	20,000
City of Dartmouth	9½		March 1, 1990	14,000
City of Fredericton	9¾		March 1, 1989	40,000
City of Fredericton	9¾		March 1, 1990	40,000
City of Fredericton	9¾		March 1, 1991	40,000
City of Moncton	9½		April 1, 1989	23,000
City of Moncton	9¾		April 15, 1989	32,000
City of Moncton	10¾		June 1, 1989	12,000
City of Sydney	10½		January 1, 1989	57,000
County of Richmond	10¼		December 1, 1986	26,000
Toronto Dominion Leasing Ltd.	11¾		December 15, 1987	400,000
Village of Charlo	10¾		October 1, 1987	8,000
Village of St. Joseph	9¾		December 15, 1989	31,000
Village of St. Joseph	9¾		December 15, 1990	59,000
Village of St. Joseph	9¾		December 15, 1991	50,000
La Hetriere-McGinley Sewage Commission	11	(1)	February 8, 1994	147,500
				1,029,500

Certificates of Indebtedness

City of Moncton	17¼	(1)	August 10, 1989	250,000
City of Moncton	17½		March 1, 1997	250,000
City of Moncton	12¾		December 1, 1987	50,000
City of Moncton	13¼		December 1, 1988	50,000
City of Moncton	11½		July 3, 1989	95,500
City of Moncton	10¾	(1)	July 3, 1989	264,000
City of Moncton	12¾		October 26, 1988	80,000
				$2,069,000

Sinking Fund '97

Certificates of Indebtedness

City of Moncton	9½	(1)	April 1, 1994	$ 150,000
City of Moncton	10¾		July 3, 1994	136,000
City of Moncton	11½	(1)	July 3, 1996	99,000
City of Moncton	12¾	(1)	October 26, 1986	40,000
				$ 425,000

(1) Serial type issues with annual redemption.

CITY OF MONCTON

CITY HALL DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Cash and term deposits	$1,408,787	$ 668,904
Receivable from City of Moncton revenue fund		573,393
Land	30,000	30,000
Investments, at par		103,268
	$1,438,787	$1,375,565

EQUITY

Equity, beginning of year	$1,375,565	$1,301,232
Add: Interest earned	154,950	168,345
	1,530,515	1,469,577
Deduct: Appropriations to capital funds	91,728	94,012
Equity, end of year	$1,438,787	$1,375,565

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

RESERVE FOR LAND DEVELOPMENT

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Receivable from City of Moncton revenue fund	$159,786	$ 89,506
EQUITY		
Equity, beginning of year	$ 89,506	$167,736
Add:		
Interest earned	12,096	12,354
Cash received in lieu of land	58,184	9,416
	159,786	189,506
Deduct: Appropriation to capital fund		100,000
Equity, end of year	$159,786	$ 89,506

This fund represents monies received relative to the subdivision of land and is to be expended at the direction of City Council for acquiring or developing land for public purposes.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SNOW REMOVAL RESERVE TRUST FUND

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Receivable from City of Moncton revenue fund	$616,124	$511,713
EQUITY		
Equity, beginning of year	$511,713	$649,814
Add:		
Interest earned	54,411	61,899
Appropriation from revenue fund surplus	50,000	
	616,124	711,713
Deduct: Appropriation to revenue fund expenditure		200,000
Equity, end of year	$616,124	$511,713

This fund represents monies appropriated for snow removal purposes and will be expended at the direction of Council.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CASH IN LIEU OF PARKING RESERVE

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Receivable from City of Moncton revenue fund	$ 39,434	$ 35,651
EQUITY		
Equity, beginning of year	$ 35,651	$ 30,126
Add:		
Cash receivable in lieu of parking spaces		1,700
Interest earned	3,783	3,825
Equity, end of year	$ 39,434	$ 35,651

This fund, established in 1980, represents monies received which will be used in future development of parking lot property at the discretion of City Council.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

MACHINERY AND EQUIPMENT DEPRECIATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Receivable from		
City of Moncton revenue fund	$912,908	$601,624

EQUITY

Equity, beginning of year	$601,624	$211,758
Add: Appropriations from		
City revenue fund	213,872	212,856
Codiac Transit revenue fund		100,000
Water and Light revenue fund		50,000
Proceeds from equipment auction	31,769	
Interest earned	65,643	27,010
Equity, end of year	$912,908	$601,624

This fund was established in 1982 for purposes of providing funds for future purchases of machinery and equipment.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

REVENUE FUND

REVENUE DETAIL

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Other revenue from own sources			
Licenses and permits	$ 247,000	$ 431,910	$ 290,152
Fines and fees	224,000	279,281	60,944
Rent	161,410	190,693	135,042
Miscellaneous	23,100	35,426	32,304
Recovery from utility fund	88,380	88,380	84,750
Protection	148,926	165,190	145,462
Transportation	581,578	584,190	559,972
Environmental	110,055	162,595	98,749
Recreation	728,085	683,309	630,279
	$2,312,534	$2,620,974	$2,037,654

CITY OF MONCTON

REVENUE FUND

EXPENDITURE DETAIL

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
General government			
Mayor and councillors	$ 234,853	$ 238,804	$ 214,935
City clerk and city manager	326,066	336,935	291,525
Finance and accounting department	861,654	872,267	652,697
Solicitors' department	212,154	207,356	188,974
City Hall building	484,694	504,439	465,909
Civic relations	363,451	360,854	239,898
Other administrative services	322,938	441,859	297,209
Grants	385,156	408,185	362,858
	3,190,966	3,370,699	2,714,005
Protection			
Police protection	6,381,940	6,262,528	5,723,936
Fire protection	4,890,193	4,608,493	4,336,550
Water costs for fire protection	1,104,170	1,212,188	1,175,000
Building inspection	304,898	302,531	269,695
Other protective services	167,449	169,611	152,166
	12,848,650	12,555,351	11,657,347
Transportation			
Engineering	987,304	936,961	792,288
Equipment maintenance (net recovery)	(100,798)	(78,883)	248,561
Roads and streets	3,905,664	4,202,310	4,135,791
Street lighting	1,043,000	1,090,475	985,990
Traffic and parking	451,780	436,079	332,057
Public transit subsidy	648,951	653,208	651,776
	6,935,901	7,240,150	7,146,463
Environmental health and development			
Garbage and waste collection	975,807	961,533	926,077
Planning commission grant	126,113	126,113	121,944
Industrial development grant	199,500	199,500	190,000
Tourist bureau operation	17,622	16,765	15,608
R.R.A.P. program	74,391	72,235	69,114
	1,393,433	1,376,146	1,322,743
Recreation and culture			
Parks and playgrounds	2,758,936	2,780,470	2,575,085
Museum	221,329	229,320	204,760
Library	73,492	82,999	72,663
Game farm	200,604	206,306	220,234
Special events	17,007	29,566	15,206
Coliseum - Agrena subsidy	1,138,748	1,138,748	943,030
Arenas	432,287	477,912	421,537
	4,842,403	4,945,321	4,452,515

CITY OF MONCTON

REVENUE FUND

EXPENDITURE DETAIL

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Fiscal			
Interest on short term borrowing (investing) - net	$ 224,854	$(35,962)	$ 119,404
Interest on long term debt	3,912,024	3,912,024	3,829,786
Principal instalments on long term debt	2,752,803	2,752,803	2,638,606
Sinking fund appropriations	168,533	168,533	168,533
	7,058,214	6,797,398	6,756,329
Total expenditures	$36,269,567	$36,285,065	$34,049,402

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

FINANCIAL STATEMENTS

DECEMBER 31, 1985

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AUDITORS' REPORT

His Worship the Mayor
and Members of City Council

We have examined the revenue fund and the capital fund balance sheets of the City of Moncton Water and Light Department as at December 31, 1985, the related statements of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of source and application of capital funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City of Moncton Water and Light Department as at December 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
March 31, 1986

Chartered Accountants

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

WATER UTILITY

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Revenue			
Water user charges	$3,185,000	$3,256,465	$3,239,499
Fire protection charges - City of Moncton	1,104,170	1,212,188	1,175,000
Interest on consumer accounts	45,000	73,992	52,969
Other	21,000	7,500	12,820
Transfer of surplus (Note 1(e))	725,583	725,583	
	5,080,753	5,275,728	4,480,288
Expenditures			
Administration	460,596	425,866	395,176
Source of supply	93,747	78,507	69,303
Power and pumping	436,330	383,009	382,084
Purification	191,628	119,970	89,283
Transmission and distribution	1,012,799	1,487,885	992,979
Fiscal	2,121,313	2,004,427	1,912,858
	4,316,413	4,499,664	3,841,683
Excess of revenue over expenditure	$ 764,340	776,064	638,605
Appropriations to reserve fund			50,000
Surplus for the year		776,064	588,605
Surplus, beginning of year		966,999	378,394
Transfer to current budget		(725,583)	
Surplus, end of year		$1,017,480	$ 966,999

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

SEWER UTILITY

YEAR ENDED DECEMBER 31, 1985

	1985		1984
	Budget	Actual	Actual
Revenue			
Sewer user charges	$1,372,500	$1,391,771	$1,368,493
Interest income		25,299	17,656
Transfer of surplus	218,578	218,578	
	1,591,078	1,635,648	1,386,149
Expenditures			
Administration	99,152	96,366	85,115
Maintenance	464,000	406,595	378,373
Fiscal	1,198,137	1,084,663	825,121
	1,761,289	1,587,624	1,288,609
Excess of revenue over expenditure (expenditure over revenue)	$(170,211)	48,024	97,540
Other:			
Special levy - Sewage treatment		232,771	228,000
Sewage Commission allocation		(448,000)	(120,160)
		(215,229)	107,840
Surplus (deficit) for the year		(167,205)	205,380
Surplus, beginning of year		445,801	240,421
Transfer to current budget		(218,578)	
Surplus, end of year		$ 60,018	$ 445,801

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF COMBINED SURPLUS

YEAR ENDED DECEMBER 31, 1985

	1985				1984
	Water	Sanitary Sewer-Regular	Sewage Treatment - Special	Total	Total
Surplus, beginning of year	$ 966,999	$337,961	$107,840	$1,412,800	$ 618,815
Transfer to current budget	(725,583)	(218,578)		(944,161)	
Excess of revenue over expenditure (expenditure over revenue)	776,064	48,024	(215,229)	608,859	793,985
Surplus, end of year	$1,017,480	$167,407	$(107,389)	$1,077,498	$1,412,800

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Cash	$ 400	$ 400
Receivables	706,522	837,190
Receivable from Treasury current fund	59,750	598,450
Inventory, at cost	214,860	186,054
Prepaid sewer user costs (Note 2)	776,047	448,000
Unamortized debenture discounts	168,494	134,669
Deferred equipment costs	8,112	34,931
	$1,934,185	$2,239,694

LIABILITIES AND SURPLUS

Payables and accruals	$ 301,093	$ 317,228
Payable to Water and Light capital fund	255,418	470,322
Liability for contract holdbacks	300,176	39,344
Surplus (Page 27)	1,077,498	1,412,800
	$1,934,185	$2,239,694

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

CAPITAL FUND

BALANCE SHEET

DECEMBER 31, 1985

ASSETS	1985	1984
Property, plant and equipment (Note 3)	$46,444,575	$42,743,120
Receivable from Water and Light revenue fund	255,418	470,322
	$46,699,993	$43,213,442

LIABILITIES AND EQUITY

Long term debt (Note 4)	$21,673,902	$19,557,418
Investment in capital assets (Page 30)	25,026,091	23,656,024
	$46,699,993	$43,213,442

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1985

	1985			1984
	Water	Sanitary Sewer	Total	Total
Balance, beginning of year	$17,780,803	$5,875,221	$23,656,024	$22,076,816
Add:				
Principal debt matured	777,181	476,335	1,253,516	1,116,660
Contributions from the Province of New Brunswick	11,497	70,054	81,551	356,810
Local improvement recoveries		35,000	35,000	105,738
Balance, end of year	$18,569,481	$6,456,610	$25,026,091	$23,656,024

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF SOURCE AND APPLICATION OF CAPITAL FUNDS

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Funds derived from		
Capital contributions from other governments	$ 81,551	$ 356,810
Debentures issued	3,370,000	2,205,000
Appropriation from revenue fund for debt retirement	1,253,516	1,116,660
Local improvement recoveries	35,000	105,737
Increase in borrowings by the revenue fund	214,904	
	$4,954,971	$3,784,207
Funds applied to		
Purchase and construction of capital assets		
Water system	$2,516,505	$ 582,218
Sanitary sewer system	1,184,950	928,135
	3,701,455	1,510,353
Redemption of long term debt	1,253,516	1,116,660
Reduction in temporary borrowings from revenue fund		1,157,194
	$4,954,971	$3,784,207

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis with the exception of interest on past due sewer and water rates, which is recorded on a cash basis as accounts are paid.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal and interest repayments of long term debt are recorded as expenditures when repaid on specified dates.

Interest on long term debt is recorded on an accrual basis at year end.

Debenture discounts are written off on a straight line basis over the terms of the various issues.

(c) Fixed assets

Capital assets and projects in progress are recorded at cost. The City does not record depreciation on its property and equipment. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayment of long term debt.

(d) Financing

(i) It is a policy of the City to provide interim financing for annual water and sanitary sewer capital construction. The associated interest costs are recorded as expenditures in the Water and Light revenue fund for projects other than those which have qualified under the Community Services Contribution Program. This Federal government program provides for capitalizing interim financing costs for grant purposes.

(ii) The Community Services Contribution Program also provides for an annual simple interest grant relating to bonds issued for eligible sanitary sewer projects. This annual simple interest grant is received over the life of the issue and serves to reduce debt charges in the current fund annually. In 1985 two such simple interest grants were received totalling $505,912 which relate to two separate bond issues.

(e) Prior year's operating results

In accordance with the Municipalities Act of New Brunswick the Water and Light Department has included the surplus from 1983 in the 1985 revenues.

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

2. Prepaid sewer user costs

The $776,047 represents Moncton's share of costs incurred by the Greater Moncton Sewerage Commission for 1985. User fees are to be levied in 1986 to recover the costs.

3. Property, plant and equipment, at cost

	1985			1984
	Fully Funded	Debentures Issued in Excess of Expenditures	Total	Total
Fixed assets				
Water system	$31,307,759	$(180,341)	$31,127,418	$28,762,072
Sanitary sewer system	15,392,234	(75,077)	15,317,157	13,981,048
	$46,699,993	$(255,418)	$46,444,575	$42,743,120

4. Long term debt

	1985			1984
	Water	Sanitary Sewer	Total	Total
Debenture debt				
Serials and certificates	$ 8,519,675	$8,386,004	$16,905,679	$14,667,439
Sinking fund	1,500,000		1,500,000	1,500,000
	10,019,675	8,386,004	18,405,679	16,167,439
Other				
Municipal Development and Loan Board	2,195,330	984	2,196,314	2,254,854
Central Mortgage and Housing Corporation		292,938	292,938	317,267
Department of Regional and Industrial Expansion	523,274	255,697	778,971	817,858
	$12,738,279	$8,935,623	$21,673,902	$19,557,418

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

4. Long term debt (continued)

Principal payments required to service existing debt during the next five years are as follows:

1986	$1,516,791	1987	$2,545,279	1988	$1,501,109
1989	$1,579,531	1990	$1,667,331		

The borrowing authorization and liability to debenture holders is vested with the City of Moncton and the liability is assumed by the Water and Light Department.

The Water and Light Department is committed to make annual payments of $52,889 to the Sinking Fund to provide for the retirement of a November 15, 1974 issue which matures in 1989.